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RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9764
RUEHKO/AMEMBASSY TOKYO PRIORITY 0901
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C O N F I D E N T I A L KATHMANDU 001293

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DEPT FOR SCA/INS

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TAGS: [PGOV](#) [PTER](#) [NP](#)
SUBJECT: GOVERNMENT EXPANDS CABINET TO EIGHTEEN

REF: KATHMANDU 1090

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b,d).

Summary

1. (C) The Prime Minister announced eleven new Ministers on May 22, including one woman and three minorities. Several key posts remained vacant as smaller parties in the seven-party alliance had yet to submit their names to the Prime Minister for consideration and one of the newly appointed Ministers had immediately withdrawn. Parties and civil society expressed relief that the new Ministers were now in place, and noted that there were many fresh faces. However, some commented that there should have been more women and minorities. A businessman hoped that the Minister of Industry, one of the remaining vacant posts, would be able to effectively deal with the ongoing Maoist threats to businesses. End Summary.

Cabinet Expanded By Eleven

2. (U) Prime Minister G.P. Koirala announced his long-awaited Cabinet expansion on May 22. The Cabinet added to the seven members announced on May 2 (reftel) eleven new members for a total of eighteen people. Cabinet members included seven from Nepali Congress, six from CPN-UML, four from Nepali Congress-Democratic and one from United Left Front. People's Left Front and Nepal Sadbhawana Party (Anandi Devi), two other members of the seven-party alliance, were not represented in the government. The Cabinet included two women, and four minorities. However, one of the women, Chitra Lekha Yadav from NC-D and representing the minority Yadav community, subsequently announced her personal decision to remain as Deputy Speaker of the House, and declined to become Minister of Water Resources.

List of Full Eighteen Member Cabinet

3. (U) Koirala announced the following Cabinet on May 23:

(1.) Girija Prasad Koirala, NC) Prime Minister, Defense

- (2.) Krishna Sitaula, NC) Home
- (3.) Dr Ram Saran Mahat, NC) Finance
- (4.) Mahanta Thakur, NC - Agriculture and Cooperatives
- (5.) KP Sharma Oli, CPN-UML - Deputy Prime Minister, Foreign Affairs
- (6.) Gopal Man Shrestha, NC(D) - Physical Planning and Works
- (7.) Prabhu Narayan Chaudhari, ULF - Land Reform and Management

New Ministers:

- (8.) Chitra Lekha Yadav, NC(D) - Water Resources (declined)
- (9.) Narendra Bikram Nemwang, NC (D) - Law, Justice and Parliamentary Affairs
- (10.) Pradip Gyawali, CPN-UML - Culture Tourism and Civil Aviation
- (11.) Dr. Mangal Siddhi Manandhar, CPN-UML - Education and Sports
- (12.) Rajendra Pandey, CPN-UML -Local Development

State Ministers:

- (13.) Ramesh Lekhak, NC (D) - Labor and Transport
- (14.) Gopal Rai, NC - Forest
- (15.) Dilendra Prasad Badu, NC - Information and Communications
- (16.) Man Bahadur Bishwokarma, NC - Science and Environment
- (17.) Mrs. Urmila Aryal, CPN-UML - Women, Children and Social Welfare
- (18.) Dharmaraj Shah, CPN-UML - General Administration

Parties Note Expansion Was Overdue

14. (C) Party leaders told Emboff that they were pleased with the Cabinet expansion as it was long overdue. Shovakar Parajuli, NC Acting Chief Secretary of the party president, said that everyone in the party was happy with the expansion. However, he stated, the government would have liked to include all the parties of the seven party alliance but could not as some parties had not yet submitted names of candidates. Prakash Man Singh, NC(D), said the expansion was "long due" and expressed happiness that it "finally came out." Sujata Koirala (NC) noted that the Cabinet had many new faces. She noted that NC had wanted to retain the Education and the Local Development Ministries because those portfolios showed people that NC was working for them and thus NC would benefit from their work in those ministries in the next election. She explained that working with teachers and local development workers helped expand the grassroots base of the NC organizational structure. She added that the Cabinet would include two or three other Ministers, which would be announced after the remaining smaller parties turned in their candidates.

Civil Society Happy to See Fresh Faces

15. (C) Subodh Pyakurel, President of local NGO INSEC, said he was happy with the expansion. He explained, "the good part is that all these people have a good track record and now have the opportunity to be a Minister for the first time." However, he was unhappy with the low number of women and minorities in the Cabinet. He wanted Yadav to remain as Deputy Speaker and hoped the government would appoint another woman as Water Minister.

Business Worry About Ministries Still Vacant

16. (C) Arun Kumar Chaudary, President of Nepal India Chamber of Commerce, said that most of the faces were new to him. He worried that the Ministry of Industry, Commerce, and Supplies remained vacant. He commented, "given the fact that only smaller, communist parties, remained," a future communist industry minister "would be a bad match to business." He noted that "much work needed to be done" for Nepal to meet full implementation requirements of the World Trade

Organization by January 2007. He added that it would also be difficult for a non-business person with communist sympathies to deal with the ongoing Maoist extortion and threat to the survival of many industries. "We need someone who understands the difficulties of the business community," he lamented.

Comment

17. (C) With the new Cabinet in place, we hope the government will focus on getting services to the people, showing them what the government can do for them, and increasing the legitimacy of the government in rural areas.
MORIARTY